

OC1 / OC2 Working Group
Minutes of the third meeting
8 February 2005, Brandon Hall

Attendees

Name	Company
John Greasley (JG)	National Grid (Chair)
Shafqat Ali (SA)	National Grid (Secretary)
Andrew Ryan (AR)	National Grid
Chris Rogers (CR)	National Grid
David Ward (DW)	BNFL
Claire Maxim (CM)	E.ON UK
Garry Pickering (GP)	E.ON UK
John Norbury (JN)	RWE
Paul Ward (PW)	United Utilities
John Morris (JM)	British Energy

1 APOLOGIES

- 1.1 Apologies were received from Neil Sandison, Andy Burke, Patrick Hynes, Phil Sheppard and Gareth Pearce.

2 MINUTES OF THE PREVIOUS MEETING

- 2.1 The minutes of the previous meeting were accepted.

3 ACTIONS FROM THE PREVIOUS MEETING

- 3.1 *SA to circulate electronic copies of the OC1/OC2 Review documents.* Electronic copies circulated on 22 November 2004.
- 3.2 *CM to justify zonal data requirement for other zones.* Addressed during the meeting.
- 3.3 *PS to replace 'reduction in capacity' with OU (in OC2 'framework document').* To be addressed closer to legal drafting of the framework documents.
- 3.4 *PS to clarify requirements for OU data and Generating Unit outages.* Addressed via the paper 'OC1 / OC2 Phase 2 proposals' and presentation material.
- 3.5 Replace 'prepare' with 'circulate' in the paragraph on Annual Outage Plan (in OC2 'framework document'). To be addressed closer to legal drafting of the framework documents.
- 3.6 *JG to check whether BSC has a map of BMRS zones.* Completed (there is no such map in BSC although a high level map BMRS zones does exist on the BMRS). **Action: JG to investigate with Elexon**

whether a more detailed map of BMRS Zones could be published on the BMRS.

- 3.7 *Action: PS to circulate a paper to the Working Group, covering the following: A definition and explanation of CDM, justification for requiring CDM information, definitions of 'National' and 'GBSO' demand with reference to 'normal' conditions, Average Cold Spell, Average Hot Spell etc, and Teleswitching and OC1 demands. Addressed via the paper 'OC1 / OC2 Phase 2 proposals'.*

4 PAPER ON NGC's 'OC1 / OC2 PHASE 2 PROPOSALS'

4.1 'Introduction'

4.1.1 JG gave an overview of the proposals in the paper and how it linked to the objective of OC1 and OC2, as stated in the Terms of Reference of the Working Group. JG emphasised that the detailed cost / benefit analysis of the proposals had not been performed at this stage, and that the implementation of any proposals would be dependent on the benefits outweighing development and implementation costs. JG also stated that the specific changes would be incorporated into an overall review of OC1 / OC2 such that the legal drafting provides better clarity on the existing OC1 and OC2 processes.

4.1.2 CM asked who owned the aim of 'market signals'. JG responded that no one owned this aim although industry views were needed on the split between Grid Code and market signals (via BSC and BMRS).

4.1.3 JN stated that, if the generation data is required for operational purpose, it should remain in the Grid Code. JG stated that some data (e.g. Output Usable (OU)) is not only used for operational purpose but also provides market signals. CM stated that, if NGC wanted the generators to take actions as a result of data submissions, then it should remain the Grid Code. JG expressed NGC's concerns on information released to some generators ahead of the market. JN suggested that one option might be to provide the data to all generators at the same time.

4.1.4 DW commented that the revised definition of OU is still not clear, particularly in relation to the outage requirements and OU requirements. JG states that this would be covered later in the paper and via presentation material.

4.2 Proposal 1: 'Definition of OU'

4.2.1 JG stated that this proposal is intended to provide a smooth transition from OC2 data to real time data, and hence the reason for a MEL-based proposed definition of OU.

4.2.2 JN stated that TEC is irrelevant for OU submissions. DW responded that, if the sum of OUs exceeds TEC, the capacity above TEC could not be used (except in emergencies). JN stated that station level restrictions proposed in the definition are difficult to apply at the BMU level and that greater clarity is needed on NGC's requirements.

- 4.2.3 JN commented that the MEL submissions in BC1 timescales do not take into account TEC (and hence the same approach should apply to OU submissions under OC2). JG asked whether the Working Group was comfortable with this approach. GP agreed with this approach.
- 4.2.4 DW suggested that numerical examples might help understand how the proposed definition of OU would work in practice.
- 4.2.5 In response to a query from JN, AR confirmed that the OU submissions for intermittents would not include a prediction of the wind speed.
- 4.2.6 In response to a query from JM, JG stated that NGC did not wish to impose its judgement on any factors that influence OU, including OU for intermittents.
- 4.2.7 DW stated that the definition of OU should be minimal and details of its interpretation should be documented elsewhere. JN agreed with this approach and stated that the interpretation of OU definition should reside in OC2 provisions.
- 4.2.8 The Working Group agreed that the proposal could be implemented relatively quickly. However, no agreement was reached on the proposed definition of OU.

4.3 **Proposal 2: 'Provision of Generator outage data at Generating Unit Level'**

- 4.3.1 NGC presented the justification of, and explanation for, Generator outage data at Generating Unit level. The presentation concluded that, out of a total of 138 'large' BMUs, only 26 were affected by this proposal because the remaining 112 already submitted data at the Generating Unit level.
- 4.3.2 JN requested clarification of the definition of a Generating Unit and whether it applied to only large power stations and directly connected loads or whether it also included, say, embedded medium power stations. JN also queried whether the these data requirements applied to all large power stations, including >5MW in Scotland. NGC undertook an action to provide this clarification. **Action: AR to provide clarification of the scope of outage data requirements at a Generating Unit level.**
- 4.3.3 With respect to the proposed format of submissions as 'MW reduction', DW commented that the current submissions are not in this format. GP stated that the current outage submissions were on an 'on/off' basis rather than on a 'MW reduction' basis.
- 4.3.4 DW commented that, if the outage data is submitted at a higher level (e.g. at a BMU level), NGC has no way of finding out as to which unit is out.
- 4.3.5 CM queried whether a 'MW reduction' figure for outages could be derived from predictive MEL. JN agreed that MEL could reflect the outage data requirements, and emphasised preference for all data capture under MEL submissions.
- 4.3.6 JN commented that he would like to take this proposal away and come back with more informed views. **Action: JN to provide additional views on outage data requirements at the Generating Unit level.**

4.3.7 No agreement was reached on this proposal.

4.4 Proposal 3: 'Rationalisation of geographic zonal boundaries'

4.4.1 JG acknowledged JN's earlier comments about the purpose of exchange of data (i.e. for operational reasons or to provide market signals).

4.4.2 CM stated that, rather than removing System Zones from the Grid Code, it might be preferable to align the BMRS zones with the OC2 System Zones. CM commented that the generator systems are already equipped to receive both the OC2 and BMRS information.

4.4.3 JN commented that it is possible for the privileged information (that generators receive ahead of the market) to be used in an inappropriate way. JG commented that this proposal is in line with one of the fundamental principles of NETA i.e. information to all, rather than privileged information.

4.4.4 No agreement was reached on this proposal.

4.5 Proposal 4: 'Provision of additional demand information for shorter timescales'

4.5.1 CR highlighted the current difficulty in reconciling the forecast demand (0 – 48 hours ahead of real time) with outturned demand, and described how publication of additional demand data would allow reconciliation.

4.5.2 JN queried which interconnector exports were included in the published figures. JG replied that only the French Interconnector exports featured in these demand figures.

4.5.3 In response to a query from DW, CR confirmed that transmission losses were also included in these figures.

4.5.4 JG confirmed that this proposal did not affect the Grid Code provisions as changes were only required to the published demand data on the BMRS and would have no impact on the data supplied by generators.

4.5.5 In response to a query from CR, GP confirmed that the published demand data was utilised by E.ON.

4.6 Proposal 5: 'Definition of Customer Demand Management'

4.6.1 CR gave a presentation on the definition of, and justification for, the Customer Demand Management (CDM). CR emphasised that this proposal only clarified current Grid Code obligations and did not introduce new obligations.

4.6.2 JN and CM stated that large customers could reduce demand without informing their suppliers and it may not be possible for suppliers to provide CDM information to NGC.

4.6.3 DW commented that, since the definition of CDM only refers to demand reduction 'instructed by supplier', it may not capture the whole of CDM.

4.6.4 AR suggested that the CDM notification to NGC could be limited to the winter period from November to February.

4.6.5 JN asked whether this proposal was intended to introduce more effort for suppliers to track possible CDM by the customer. CR confirmed that this was not the intention of this proposal and reiterated that the proposal merely clarified the current obligations.

4.6.6 The Working Group concerns about the burdensome nature of CDM submissions. NGC confirmed that this was an existing Grid Code obligation.

4.7 **Proposal 6: 'Publication of disaggregated OU data'**

4.7.1 CM commented that the publication of disaggregated OU data would be useful to the industry if it understood the assumptions behind the derivation of constituent OUs.

4.8 **Proposals 7 and 8: 'Rationalisation of OC2 timescales' and 'Rationalisation of OC1 timescales'**

4.8.1 CM stated that these proposals were acceptable as long as the generators received the data for the same timescales as those corresponding to their submissions. JN agreed.

4.8.2 JN queried whether the outage data requirements for years 4 and 5 were to remain. JG confirmed that this was the case, and explained that the removal of data requirements for years 4 and 5 only applied to OU submissions.

4.8.3 JN commented on the overlap between OC2 and the Planning Code and queried whether some of the OC2 data requirements such as those stated in the generator performance charts could reside in the Planning Code. NGC undertook an action to consider this. **Action JG: Investigate the overlap between data requirements under OC2 and the Planning Code.**

4.8.4 JN expressed concerns about the scope of these proposals and the overall impact of these proposals on OC2.

4.8.5 No agreement was reached on these proposals.

4.9 **Proposal 9: 'Provision of additional demand information for longer timescales'**

4.9.1 JM asked whether NGC currently determines the confidence levels for demand forecasts. AR responded that NGC only determines a central demand forecast.

4.9.2 DW queried whether any demand confidence levels were published in the winter outlook report. NGC stated that no such levels were published.

5 **WAY FORWARD**

5.1 JG stated that, in accordance with the terms of reference and as the chair for the OC1 / OC2 Working Group, he would be reporting back to the February GCRP on the progress that the Working Group has made.

- 5.2 JG stated that, in light of the Working Group discussions in the three meetings to date and a lack of consensus on NGC's proposals, fundamental questions needed to be asked as to whether any changes should be made to the Grid Code at all. CR stated that the current provisions in OC1 are inappropriate and it needed re-writing. DW stated that he did not disagree with any of the proposals and was in fact in favour of the rationalisation of timescales. DW also stated that the Working Group had highlighted a number of issues in the prevailing provisions. GP agreed with DW and added that issues such as the interaction between OU and TEC needed a satisfactory resolution.
- 5.3 JN believed that that there would be benefits in streamlining the current provisions in the Grid Code.
- 5.4 JG asked whether the Working Group would be comfortable with a recommendation on proposals to proceed to consultation in May 2005. The Working Group did not express any explicit views on this recommendation.

6 DATE OF NEXT MEETING

- 6.1 The next meeting of the Working Group is provisionally scheduled for 11 March 2005.